

An Act

ENROLLED SENATE
BILL NO. 1252

By: Stanislawski of the Senate

and

Pfeiffer of the House

An Act relating to Oklahoma Quality Events Incentive Act; amending 68 O.S. 2011, Sections 4301, as amended by Section 1, Chapter 3, O.S.L. 2014, 4303, as last amended by Section 2, Chapter 3, O.S.L. 2014, 4304, as last amended by Section 3, Chapter 3, O.S.L. 2014, 4305, as amended by Section 4, Chapter 3, O.S.L. 2014 and 4309 (68 O.S. Supp. 2017, Sections 4301, 4303, 4304 and 4305), which relate to implementation of the act; modifying date upon which act terminates; modifying definitions; deleting requirement to submit economic impact study; updating statutory language; requiring Oklahoma Tax Commission to designate employee or division for specified duties; deleting agency responsibilities related to economic impact study; modifying basis for determination of amount of payments to host communities; providing an effective date; and declaring an emergency.

SUBJECT: Oklahoma Quality Events Incentive Act

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 68 O.S. 2011, Section 4301, as amended by Section 1, Chapter 3, O.S.L. 2014 (68 O.S. Supp. 2017, Section 4301), is amended to read as follows:

Section 4301. This act shall be known and may be cited as the "Oklahoma Quality Events Incentive Act" and shall be in effect through ~~June 30, 2018~~ June 30, 2021.

SECTION 2. AMENDATORY 68 O.S. 2011, Section 4303, as last amended by Section 2, Chapter 3, O.S.L. 2014 (68 O.S. Supp. 2017, Section 4303), is amended to read as follows:

Section 4303. As used in the Oklahoma Quality Events Incentive Act:

1. "Certified sponsor" means an entity or organization authorized to promote and conduct a quality event, which is incurring expenses for the promotion of such event to be conducted within the corporate limits of an eligible municipality or an unincorporated area within a county;

2. ~~"Economic impact study" means a study which includes:~~

~~a. a description and, if applicable, history of the quality event,~~

~~b. information regarding the site selection process for the quality event,~~

~~c. an estimate of the expenses anticipated to be incurred in connection with hosting the quality event,~~

~~d. an estimate of the total gross sales made by vendors during any period of time during which no quality event activity occurs,~~

~~e. a detailed estimate of the anticipated increase in sales tax revenue directly attributable to the quality event,~~

~~f. the general economic impact likely to occur as a result of the preparation for, occurrence of and activity occurring in connection with the dissolution of, a quality event, and~~

~~g. any additional information the Oklahoma Tax Commission may require;~~

~~3.~~ "Eligible local support amounts" means:

- a. any payment made by a local government entity or transfer of monies from the general fund or transfer of tax revenues derived from a locally imposed tax to a certified sponsor for the purpose of attracting, promoting, advertising, organizing, conducting or otherwise supporting a quality event, or
- b. any direct payment made by a certified sponsor to a for-profit or nonprofit entity, other than the host community, for the purpose of attracting, promoting, advertising, organizing, conducting or otherwise supporting a quality event;

~~4.~~ 3. "Event history" means:

- a. historical information on the event including past locations of the event,
- b. a description of previous attempts by the host community to secure the event,
- c. information regarding attempts by other communities to recruit the event, and
- d. if applicable, the competitive bidding process for securing the event by the host community;

~~5.~~ 4. "Host community" means any county, incorporated city or town, or any combination of counties, incorporated cities or towns of the state which are authorized by their respective governing bodies to host or assist in the presentation of a quality event;

~~6.~~ 5. "Incremental sales tax revenue" means the amount of additional state sales tax revenue collected as a result of the quality event, as determined by ~~an economic impact study verified by the Oklahoma Tax Commission~~ based on actual documentation;

~~7.~~ 6. "New event" means a quality event which did not occur within a period of twenty-four (24) months prior to the month during which a quality event is held;

~~8.~~ 7. "Quality event" means:

- a. a new event or a meeting of a nationally recognized organization or its members,
- b. a new or existing event that is a national, international or world championship, or
- c. a new or existing event that is managed or produced by an Oklahoma-based national or international organization;

~~9.~~ 8. "Recurring event" means a quality event which occurred at least once within the twenty-four (24) months prior to the month during which a quality event is held;

~~10.~~ 9. "State sales tax revenue" means the proceeds from the state sales tax levy imposed pursuant to Section 1354 of this title upon taxable transactions occurring as a result of the quality event, as determined by ~~an economic impact study verified by the~~ Oklahoma Tax Commission based on actual documentation; and

~~11.~~ 10. "Vendors" means those persons or business entities making taxable sales of tangible personal property or services as a result of the quality event, as determined by ~~an economic impact study verified by the~~ Oklahoma Tax Commission based on actual documentation and, unless the context otherwise requires, shall have the same meaning as defined by Section 1352 of this title.

SECTION 3. AMENDATORY 68 O.S. 2011, Section 4304, as last amended by Section 3, Chapter 3, O.S.L. 2014 (68 O.S. Supp. 2017, Section 4304), is amended to read as follows:

Section 4304. A. Not later than six (6) months prior to the initial date of a quality event, a host community may designate:

1. The dates during which a quality event will be hosted; and

2. The type of expenses eligible for distribution of captured revenues to the host community including, but not limited to, advertising, facility rental, promotional materials and security.

B. Any designation made by a host community for purposes of ~~this act~~ the Oklahoma Quality Events Incentive Act shall be made pursuant to an ordinance or resolution duly adopted by the governing body of the host community.

C. A host community may only designate one quality event during the time frame in which a designated quality event will occur.

D. Within thirty (30) days of the date on which the host community adopts an ordinance or resolution pursuant to subsection A of this section, such host community shall submit to the Oklahoma Tax Commission, on such forms as the Tax Commission may prescribe, a copy of such ordinance or resolution, ~~an economic impact study~~ and the event history. The Oklahoma Tax Commission shall designate a single employee or division responsible for processing information, making determinations and any other duties related to the Oklahoma Quality Events Incentive Act.

E. Within sixty (60) days from the date of receipt of the information from the host community as required by subsection D of this section, the Tax Commission shall approve or disapprove, in whole or in part, the ~~economic impact study for the purposes of this act. In making its determination, the Tax Commission shall consider whether or not the economic impact study contains the elements required in paragraph 2 of Section 4303 of this title and whether or not the information provided is validly documented and based on generally accepted economic and statistical standards used for purposes of similar studies~~ submission and analysis of the required information. The Oklahoma Department of Commerce and the Oklahoma Tourism and Recreation Department shall provide such assistance and information as requested by the Tax Commission ~~to approve or disapprove an economic impact study.~~

SECTION 4. AMENDATORY 68 O.S. 2011, Section 4305, as amended by Section 4, Chapter 3, O.S.L. 2014 (68 O.S. Supp. 2017, Section 4305), is amended to read as follows:

Section 4305. A. The host community shall provide to the Oklahoma Tax Commission detailed information disclosing the total amount of eligible local support amounts for purposes of determining the amount of incremental state sales tax revenue that may be paid to a host community in which a quality event occurs.

B. The Tax Commission shall verify the amount of eligible local support amounts prior to making any payment to a host community.

C. After the conclusion of an event, the host community shall provide information related to the event, such as attendance figures, financial information or other public information held by the host community that the Tax Commission considers necessary to evaluate the actual economic impact of the event.

D. The Tax Commission shall compare the total amount of eligible local support amounts with the total amount of incremental state sales tax revenues remitted by vendors, such revenues to be established ~~through the economic impact study~~ based on actual documentation.

E. If the Tax Commission determines through an analysis of the ~~economic impact study~~ actual documentation that the total amount of incremental state sales tax revenues is zero, no payment shall be made to a host community.

F. If the Tax Commission determines through an analysis of the ~~economic impact study~~ actual documentation that the total amount of incremental state sales tax revenues is greater than zero, but less than the total amount of eligible local support amounts, the Tax Commission shall make payment, subject to the limitations of subsection I of this section, to the host community of the quality event in an amount equal to the incremental state sales tax revenues.

G. If the Tax Commission determines through an analysis of the ~~economic impact study~~ actual documentation that the total amount of incremental state sales tax revenues is at least equal to the amount of eligible local support amounts, the Tax Commission shall make payment, subject to the limitations of subsection I of this section, to the host community in which the quality event occurs in an amount equal to, but not greater than, the eligible local support amounts.

H. No payment shall be made to any host community from a source other than the incremental state sales tax revenues, if any, derived from state sales tax remittances of vendors as a result of the quality event, as determined by ~~an economic impact study verified by~~ the Oklahoma Tax Commission.

I. No payment shall be made to any host community in excess of Two Hundred Fifty Thousand Dollars (\$250,000.00) for a single quality event regardless of the amount of eligible local support paid by the host community.

SECTION 5. AMENDATORY 68 O.S. 2011, Section 4309, is amended to read as follows:

Section 4309. The Oklahoma Tax Commission may promulgate such rules as may be necessary to implement the provisions of ~~this act including, but not limited to, any rules governing the accuracy of the economic impact study~~ the Oklahoma Quality Events Incentive Act.

SECTION 6. This act shall become effective July 1, 2018.

SECTION 7. It being immediately necessary for the preservation of the public peace, health or safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

Passed the Senate the 13th day of March, 2018.

Presiding Officer of the Senate

Passed the House of Representatives the 26th day of April, 2018.

Presiding Officer of the House
of Representatives

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this _____

day of _____, 20_____, at _____ o'clock _____ M.

By: _____

Approved by the Governor of the State of Oklahoma this _____

day of _____, 20_____, at _____ o'clock _____ M.

Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this _____

day of _____, 20_____, at _____ o'clock _____ M.

By: _____